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EXAMINER

SHAPIRO, JEFFERY A

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

1 RECORD OF ORAL HEARING
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3 UNITED STATES PATENT AND TRADEMARK OFFICE
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5
6 BEFORE THE BOARD OF PATENT APPEALS
7 AND INTERFERENCES
8

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10 Ex Parte RAYMOND HEIDEL
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13 Appeal 2009-001546
14 Application 10/840,129
15 Technology Center 3600
16

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18 Oral Hearing Held: May 21, 2009
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22 Before MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI,
23 and BIBHU R. MOHANTY, Administrative Patent Judges.
24

25
26 ON BEHALF OF THE APPELLANT:
27

28 J. D. HARRIMAN, ESQ.
29 DAVID ABEL, PC
30 1999 Avenue of the Stars
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32 Los Angeles, CA 90067-0023
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34

35 The above-entitled matter came on for hearing on Thursday, May 21,
36 2009, commencing at 9:16 a.m., at the U.S. Patent and Trademark Office,
37 600 Dulany Street, 9th Floor, Alexandria, Virginia, before Kevin Carr,
38 Notary Public.

1 JUDGE CRAWFORD: Good morning.

2 MR. HARRIMAN: Good morning.

3 JUDGE CRAWFORD: You can proceed whenever you're ready.

4 MR. HARRIMAN: Thank you. I'm J. D. Harriman and this is my
5 partner, David Abel.

6 MR. ABEL: Good morning.

7 MR. HARRIMAN: Thank you for taking the time to meet with us
8 today.

9 I want to give you some sense of the environment theory of where the
10 device is used, to help set up some of the differences between us and the
11 combination to justify the Examiner.

12 In vending machines in the past, they could take a dollar and make
13 change. Some of them could take five dollars and give you change, bills and
14 change. Sometimes they could give you some combination of single dollar
15 bills and change, but they were unable to take larger bills.

16 This invention gives a vending machine the ability to take larger bills,
17 tens and twenties. And because of its unique structural setup, an additional
18 box and note hopper, it can put into the note hopper only the tens and fives.

19 It moves twenties and ones into other receptacles, and is able to use
20 that new hopper to produce change from larger bills.

21 Therefore, it allows a vending machine to have higher priced items or
22 to increase its prices, but more importantly to be able to take more traffic,
23 because it can take customers who may only have large bills.

1 And this is possible because of the structural differences in this
2 system and other systems. For example, the combination suggested by the
3 Examiner refers to a temporary storage box of the reference to Katou as
4 being equivalent to our note hopper, which is 34 in Figure 2 of our
5 Application.

6 The temporary storage box of Katou 40 is something that all bill
7 acceptor units have. It's a temporary place to sort of escrow a bill, until it's
8 determined whether the transaction is going to go forward or to back out.

9 In fact, our machine has a similar type of place in the machine to
10 temporarily hold a bill until further action is taken: Either acceptance of the
11 transaction, or backing out of the transaction.

12 What the temporary storage box doesn't do and why it's not
13 structurally equivalent to our note hopper 34, is it doesn't take only certain
14 bills that are to be used as change in a vending transaction later on, in a
15 separate transaction.

16 The temporary storage box 40 of Katou takes all bills in that are
17 inserted into the machine of Katou, and if the transaction is backed out, it
18 ejects all of those bills to the same person in the same transaction.

19 If the transaction goes forward, it sends those bills to the bill
20 discriminating unit, which then puts them in one storage bin or another.

21 But those bills, then, are not ever used as change. They never come
22 from the temporary storage box as change in a later transaction. And
23 therefore, the temporary storage box does not match up with the note hopper
24 of our invention, as claimed in the independent claims.

1 The combination --

2 JUDGE MOHANTY: I'm sorry, can you hear me?

3 MR. HARRIMAN: I'm sorry, go ahead.

4 JUDGE MOHANTY: I just want to make a distinction between
5 what's been invented and what's been claimed.

6 MR. HARRIMAN: Sure.

7 JUDGE MOHANTY: Your claim says "A note hopper for receiving
8 and storing up to a selected number of notes."

9 Isn't that just intended use? I mean, what's structurally claimed is a
10 note hopper. How is your claim different than the prior art?

11 MR. HARRIMAN: The note hopper -- well, we use the term, note
12 hopper, and we do define it in the specification. So the term note hopper
13 itself has some functionality implied to it, just by the term, note hopper, as
14 we use it in a specification.

15 And --

16 JUDGE MOHANTY: We're not going to read the specification into
17 the claim.

18 MR. HARRIMAN: I'm sorry, say it again?

19 JUDGE MOHANTY: We're not going to read the specification into
20 the claim. The limitations from the specification.

21 MR. ABEL: You're not coming through.

22 JUDGE CRAWFORD: Just -- there you go.

1 JUDGE MOHANTY: Okay. We're not going to read the
2 specification into the claims. We're looking at the language of claims. The
3 claim is interpreted by the specification.

4 MR. HARRIMAN: I understand that.

5 JUDGE MOHANTY: Yeah.

6 MR. HARRIMAN: And the note hopper we have in the claim isn't
7 matched up by the temporary storage box of the prior art, because the note
8 hopper is an additional part that is not found in the prior art.

9 As I mentioned, we have a temporary storage box. All bill acceptor
10 units have an area -- that temporary storage box, that serves that purpose.

11 And I realize I'm talking some functionality there. But we have a
12 temporary storage box in our invention, as does Katou.

13 The note hopper box is a new element, a new structural element, that
14 is not found in the combination suggested by the Examiner.

15 JUDGE MOHANTY: Distinct from the cash boxes?

16 MR. HARRIMAN: There are deposit boxes and cash boxes. There is
17 an escrow holding unit, i.e., the temporary storage box of Katou.

18 What's missing is the additional structural element of our note
19 hopper? There's no note hopper, no additional structural note hopper found
20 in this combination suggested by the Examiner.

21 What the Examiner calls a note hopper 40 is, in fact, nothing new. It's
22 something that's been found in the prior art, that we have. It's not an
23 additional structural element, such that it would read on the claims.

24 JUDGE MOHANTY: Can you hear me?

1 MR. HARRIMAN: Yes.

2 JUDGE MOHANTY: I don't see how one of the boxes in Katou, for
3 example, can't read on a note hopper. There is no distinction that it -- all it
4 has to do is receive and store notes. I don't see why it can't function as that.

5 MR. HARRIMAN: Well, the term "hopper", I think you are
6 permitted to allow the definition of hopper to come into the structural
7 analysis; because we're not just calling out a box, we're calling out a hopper.

8 A hopper has different purposes and behavior than a box.

9 JUDGE CRAWFORD: Where is that definition of hopper in the
10 specification?

11 MR. HARRIMAN: Hopper is a term of art. But, one moment please.

12 One place is in -- if you're looking at the published application,
13 paragraph 19 is where the note hopper is described; and the behavior of the
14 note hopper and what a hopper means is described in paragraphs 19, 20, 21.

15 JUDGE MOHANTY: Can you show a reference to that in the
16 specification that's right before us?

17 MR. ABEL: The references are here.

18 MR. HARRIMAN: Oh, paragraphs 19, 20, and 21.

19 JUDGE MOHANTY: Okay. Can you cite some places in the
20 specification, not in the published application, where it's discussed?

21 JUDGE FISCHETTI: Your application as filed.

22 MR. HARRIMAN: The application as filed, it has the same
23 paragraph numbers.

1 JUDGE MOHANTY: We don't have paragraph numbers here in the
2 specification.

3 MR. HARRIMAN: This is not the application. Do you have the file?

4 MR. ABEL: No. Just read it in then.

5 MR. HARRIMAN: Can I just read it in?

6 JUDGE MOHANTY: Yeah.

7 MR. HARRIMAN: Okay. "If the note is determined valid and
8 authentic" -- so already it's after the note is authenticated, which again may
9 be structural, because temporary storage box in Katou is before the bill
10 discriminating unit.

11 "The transportation unit 30 transports the note to one of a note box or
12 a note hopper 34 for storage. Later on, the note hopper 34 may be
13 positioned above the transportation unit to take advantage of the open space,
14 or the note hopper can be stacked above or behind the note box 32."

15 Continuing.

16 JUDGE CRAWFORD: I don't see how that talks about what a note
17 hopper is, that you're trying to read that definition into the claims. It's
18 talking about where it is; but --

19 MR. HARRIMAN: Well, that certainly adds structure to the claim of
20 where it is. The note hopper is after bill discrimination in our system; and so
21 the temporary storage box of Katou 40 is before bill discrimination.

22 JUDGE MOHANTY: Well, these are all apparatus claims. I don't
23 see any structure in the claims saying that the note hopper has to be after the
24 acceptor dispenser validator.

1 MR. HARRIMAN: One second.

2 JUDGE MOHANTY: I mean, it is received after the note dispenser
3 validator; but any machine that comes in, that's going to be the first thing
4 you hit, the currency is going to be validated before it goes to any place.

5 Well, the note validator as defined in our specification, receives the
6 note and determines the authenticity, denomination, and type of condition of
7 the notes. So that's a discrimination and authentication function.

8 The discrimination function is thus prior to the note hopper 34. In
9 Katou, the discrimination unit only comes after what they call the note
10 hopper, the temporary storage box 40.

11 So structurally, that's already a different configuration. We have
12 different elements and a different configuration than the combination
13 suggested by the Examiner.

14 JUDGE MOHANTY: Well, when I look at Katou, the first thing I see
15 is that the bills come into the bill discrimination unit. I mean, you have to
16 know what the money is before you decide whether to take it or not.

17 MR. HARRIMAN: Well, I believe for deposits they come in through
18 the deposit withdrawal port 20, and then go to the temporary storage box 40.

19 JUDGE MOHANTY: Okay.

20 MR. HARRIMAN: Then after that, they are sent to the bill
21 discrimination unit for placing in one of the deposit boxes below the bill
22 discrimination unit.

23 JUDGE MOHANTY: Okay.

1 Why isn't something like the deposit box or the recycle box? Why
2 aren't those a note hopper? They receive and store notes.

3 MR. HARRIMAN: Sorry, could you repeat that

4 JUDGE MOHANTY: Why wouldn't the deposit 60 or the recycle
5 box 80 be a note hopper, since they receive and store notes?

6 MR. HARRIMAN: I don't believe they are, but that's not the
7 combination the Examiner has made.

8 One of the other differences in this combination is that the Examiner
9 has taken a couple of ATM machines and attempted to combine them to read
10 on our bill accepting unit, which is part of a vending machine.

11 Neither Katou nor Ramachandran relate to vending machines; they're
12 ATM machines. They're the traditional large type ATM machines that you
13 might see free-standing in a 7-11, or built into the wall of a bank.

14 And they don't work in a vending environment.

15 Deposit box 60 would not be the note hopper of our invention,
16 because it would not later on give our bills from the deposit box, as change
17 in a transaction.

18 In fact, neither devices have anything to do with vending transactions,
19 and any activity that happens in the systems happen in a single transaction.

20 For example, the temporary storage box of Katou, if a person comes
21 up, they make a deposit or a proposed deposit and change their mind; or if
22 for some other reason the deposit can't be completed, it spits the money back
23 out to the user.

1 JUDGE CRAWFORD: In column 8 in Ramachandran, it clearly says
2 that in other embodiments, the machine can be used as a vending machine.

3 MR. HARRIMAN: That is correct, but there's no teaching of how
4 that would happen, and it would require quite a bit of effort,
5 experimentation -- undue experimentation in order to get the ATM of
6 Ramachandran into a vending machine situation.

7 In fact, it would require significant structural changes. It would
8 require changes in the physical relationship of boxes; the relationship of
9 what's in front of what and what's behind what.

10 And you couldn't just take an ATM and tie it to a vending machine,
11 and expect it to be able to do all the things that a vending machine can do.

12 JUDGE MOHANTY: Well, your claims don't claim anything about
13 timing. They're just talking about generically combining with a vending
14 machine. And it seems to me like Ramachandran has done that.

15 I just want to get back to one thing before I get to held up on this. The
16 Examiner did note on the Examiner's answer, page 13, that he does cite that
17 the note box is 60-80 and 81.

18 He also identified those in the rejection, that those could be
19 configured to receive notes received by the note validator.

20 So the Examiner's rejection didn't just focus on temporary storage 40.
21 He also said that boxes 60-80 and 81 could be.

22 MR. HARRIMAN: The problem with 60-80 and 81 is -- hold on -- I
23 thought I had addressed that -- I don't see where the Examiner specifically
24 makes that rejection.

1 JUDGE MOHANTY: I believe on page 13 of the Examiner's
2 Answer, that last paragraph?

3 MR. HARRIMAN: Well, one of the differences that 60-80 and 81
4 don't push back notes, and they certainly don't dispense them in a
5 transaction.

6 JUDGE MOHANTY: Okay. I don't want to get too held up on that.
7 You have about five minutes left, if there's something, another point you'd
8 like to make.

9 MR. HARRIMAN: I think we would wait to rebut after the Examiner.

10 JUDGE MOHANTY: There is no Examiner here. So --

11 MR. HARRIMAN: Oh --

12 JUDGE MOHANTY: Yeah.

13 MR. HARRIMAN: Oh.

14 MR. ABEL: I think from the standpoint of kind of conceptually what
15 this Application and the invention is directed to is the ability to take in notes,
16 have a structure so that the device will be able to escrow a certain number of
17 notes, so it can be dispensed in a subsequent transaction, but also be able to
18 control that transaction, control the fact that in a vending environment that
19 there's going to have to be a control system which says: Take in a \$20 bill,
20 allow \$7.50 worth of product to be purchased, and then dispense \$12.50.

21 How is that going to be done? Dispense two \$5 bills from the note
22 hopper as opposed to having to do it all with coins. When you dispense the
23 two \$5 bills from the note hopper, the system allows for those to have been
24 inserted into the device and stored in escrow, because it knows what's

1 coming in and controls what's being stored and directed to that particular
2 note hopper, as opposed to simply taking in all of the bills and stacking them
3 into a single cash box or stacker.

4 In a vending type of environment, you don't have the room for all the
5 devices that you would have for an ATM machine. You don't have the
6 room for multiple different stackers, and you don't have the --

7 JUDGE CRAWFORD: Where in the claim is multiple stackers and --
8 ?

9 MR. ABEL: We don't have multiple stackers; we have a note hopper
10 and a cash box --

11 JUDGE CRAWFORD: I'm just wondering, you're talking about the
12 environment of the invention. I'm wondering where all of this is and how
13 it's tied to the claim language.

14 MR. ABEL: Well, the claim language is done to include two different
15 places that the money would go to. One would be your standard cash box,
16 the cash box would be in a historical environment. It would be the only
17 place where all notes would go to when it's taken into a vending machine.

18 The note hopper is the additional component, which didn't exist
19 previously in a vending machine, so that you could take the bills, certain
20 selected bills, and say, "I want to store those bills in a note hopper, which
21 I'm going to be able to use in a subsequent transaction to dispense as
22 change."

23 And that didn't exist in a vending machine environment in these types
24 of environments, where it was intended to be a transaction type of machine,

1 as opposed to being a cash system at a bank, which would dispense different
2 types of denominations and be able to hold multiple different types of
3 denominations.

4 The devices, according to Ramachandran or Katou that have the
5 ability to stack and dispense multiple different denominations, generally you
6 would prepackage those. If you're going to an ATM machine, you stick in
7 your ATM card and you want to pull out \$20 OR \$100 or whatever.

8 It comes from the various stacks that are done. The bank essentially
9 has to go through and stack those up. For the bill device, according to the
10 present invention, its environment is going to be -- particularly in a vending
11 environment -- it's going to be a location which is out where it's only going
12 to be serviced every time the person wants to come in and fill it up for sodas,
13 for example. Gatorade, for example, or whatever.

14 And the person that's servicing it to put in, you know, the items to be
15 dispensed, has to be able to collect the money and take it out.

16 Now if he takes the money out -- basically you don't want to leave a
17 lot of money in that environment, once you've filled up the machine with the
18 items to be dispensed, and so you're going to empty the cash boxes out.
19 You're going to empty the cash box and the note holder.

20 The next person that comes up with a transaction, if they put in a \$20
21 bill, if you've left a couple fives in the note holder, they're still going to be
22 able to get the money back out.

23 If you just cleaned them all out, it's going to turn it off so you can't
24 take in the \$20 bill until a couple of people come up and put in five or ones,

1 or whatever you're going to escrow into the note-holding device, so that the
2 note holder will be able to dispense those back out.

3 That type of a concept, which you have the ability to put notes into
4 and take notes out of the note holder, so you can dispense those particular
5 sets of notes, which you've categorized, your control function has decided
6 these types of notes are going to be stored until I get to my maximum
7 storage capacity for the note-holder -- those types of notes are available to
8 dispense. That didn't exist prior to this application in the vending
9 environment.

10 That's what this invention is about. And the claims are directed to
11 having a specific note-holder, having a specific cash box, a transportation
12 system which can -- moves a bill that's validated into one or the other,
13 depending on a set of criteria and the ability to control the dispensing of that
14 note from the note hopper, if it's determined that it needs to be dispensed as
15 change.

16 JUDGE CRAWFORD: Okay.

17 Do you have any more questions?

18 JUDGE FISCHETTI: No.

19 JUDGE CRAWFORD: Do you have any questions?

20 JUDGE MOHANTY: No.

21 JUDGE CRAWFORD: Thank you very much.

22 MR. HARRIMAN: Thank you.

23 MR. ABEL: Thank you.

24 (Whereupon, at 9:38 a.m., the proceedings were concluded.)